

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 0 1 6

2. STATE:

Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

August 15, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR, Part 447, Subpart F

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ 357,155.00

b. FFY 2002 \$ 2,777,219.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 8aa
Attachment 4.19-B, Page 8aaa
Attachment 4.19-B, Page 8aaaa9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):Same, Approved 2-25-00, TN 99-22
Same, Approved 2-25-00, TN 99-30
Same, Approved 2-25-00, TN 99-30

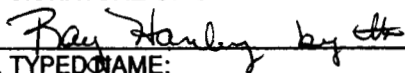
10. SUBJECT OF AMENDMENT:

The Arkansas Title XIX State Plan has been amended to reflect the reimbursement methodology for Helicopter Ambulance for Pediatric Hospitals. Attachment 4.19-B, Pages 8aaa and 8aaaa are included to renumber item numbers.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Ray Hanley

14. TITLE:

Director, Division of Medical Services

15. DATE SUBMITTED:

June 6, 2001

16. RETURN TO:

Division of Medical Services
P. O. Box 1437
Little Rock, AR 72203-1437Attention: Binnie Alberius
Slot 1103

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

June 19, 2001

18. DATE APPROVED:

August 31, 2001

19. EFFECTIVE DATE OF APPROVED MATERIAL:

August 15, 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Calvin G. Cline

22. TITLE:

Division of Medical Services

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 4.19-B
Page 8aa

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: August 15, 2001

23. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.

a. Transportation (Continued)

(2) Air Ambulance (continued)

Pediatric Hospitals

1. **Helicopter Ambulance:** Effective for dates of service occurring August 15, 2001 and after, helicopter ambulance services provided by instate pediatric hospitals will be reimbursed based on reasonable costs with interim payments and year-end cost settlement. Interim payments are made at the lesser of the amount billed or the Title XIX (Medicaid) charge allowed. Arkansas Medicaid will use the lesser of the reasonable costs or customary charges as determined from the hospital's submitted cost report to establish cost settlements. The cost settlements will be calculated using the methods and standards used by the Medicare Program. Methods and standards refer to the allocation of costs on the cost report and do not include any current or future Medicare reimbursement limits for this particular service.

(3) Developmental Day Treatment Clinic Services (DDTCS) Transportation

Effective for claims with dates of service on or after February 1, 2000, DDTCS transportation providers will be reimbursed on a per mile basis at the lesser of the billed charges or the maximum Title XIX (Medicaid) charge allowed. Transportation will be covered from the point of pick-up to the DDTCS facility and from the DDTCS facility to the point of delivery. If more than one eligible Medicaid recipient is transported at the same time to the same location, Medicaid may be billed only for one recipient. If more than one Medicaid recipient is transported at the same time to different locations, the provider may bill only for the recipient traveling the farthest distance. The maximum per mile is based on reasonable cost.

The DDTCS transportation providers will submit annual statements of mileage, revenues and expenses, i.e. salaries, repairs, supplies, rent, indirect overhead costs, etc. The State Agency will review the cost and mileage information at least biennially and adjust the reimbursement rate if necessary. Therefore, an inflation factor will not be automatically applied.

SUPERSEDES: TN- AR-99-22

STATE <u>Arkansas</u>	A
DATE REC'D <u>06-19-01</u>	
DATE APP'V'D <u>08-03-01</u>	
DATE EFF <u>08-15-01</u>	
HCFA 179 <u>AR-01-16</u>	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 4.19-B
Page 8aaa

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: August 15, 2001

23. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.

a. Transportation (Continued)

(4) Non-Emergency

(a) Public Transportation

Effective for dates of service on or after March 1, 2000, the following reimbursement applies to public transportation services in Faulkner, Lonoke and Pulaski counties:

Taxi/Wheelchair Van - Reimbursement is based on the lesser of billed charges or the Title XIX maximum allowable. The billed charges must reflect the same charges made to all other passengers for the same service as determined by the local municipality which issues the permit to operate or by the Interstate Commerce Commission. The Title XIX maximum was established utilizing the 1991 Taxicab Fact Book issued by the International Taxicab and Livery Association. The calculations are as follows:

Taxi - The cost per mile of 1990 plus Market Basket Index of 1991 plus Market Basket Index of 1992 plus 25% = \$1.13 per mile (unit).

Wheelchair Van - Must transport 6 or more passengers comfortably.

The cost per mile of 1990 plus Market Basket Index of 1991 plus Market Basket Index of 1992 plus 65% = \$1.50 per mile (unit). An additional 40% was added to the reimbursement per mile due to the added cost of wheelchair van adaptation for wheelchair accessibility and for additional provider compensation for physically assisting the disabled.

The State Agency will negotiate with the affected provider group representative should recipient access become an issue.

COPIES: TN- AR-99-30

STATE <u>Arkansas</u>	A
DATE REC'D <u>06-19-01</u>	
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Page 8aaaa

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: August 15, 2001

23. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.
- a. Transportation (Continued)

(4) Non-Emergency (Continued)

(b) Non-Public Transportation

Effective for dates of service on or after March 1, 2000, Non-Public Transportation Services reimbursement for Faulkner, Lonoke and Pulaski counties is based on the lesser charges or the Title XIX maximum allowable. The Title XIX maximum is based on the Internal Revenue Service (IRS) reimbursement for private mileage in a business setting, plus an additional allowance for the cost of the driver. The standard mileage private reimbursement is compliant to the 1997 Standard Federal Tax Report, paragraph #8540.011. The calculation of the additional allowance for the cost of the driver is based on the minimum wage per hour, plus 28% of salaries (minimum wage) for fringe benefits, plus a fixed allowance of \$2.11 for the provider's overhead and billings, divided by 30 (average number of miles per trip). The average number of miles was determined by utilizing data from SFY 1996 and dividing the number of miles per trip by the number of trips made.

The State Agency will negotiate with the affected provider group representatives should recipients access become an issue.

- (5) Volunteer Transportation: Amount of payment is agreed on by County Human Services Office and the Carrier. Medicaid reimburses the County Human Services Office for the agreed amount.

The rate of reimbursement equals the amount of travel reimbursement per mile for a state employee. Medicaid reimbursement will not be made for services provided free of charge.

- (6) Domiciliary Care: Fixed price set by Assistant Director, Division of Medical Services, based on reasonable cost. The provider submits a statement of expenses, i.e. salaries, repairs, supplies, rent, etc. for their past fiscal year. These costs are reviewed by the State's auditors for reasonableness. These costs are reviewed annually and adjusted if necessary, therefore, an inflation factor is not applied.

The cost of meals and lodging are provided only when necessary in connection with transportation of a recipient to and from medical care.

SUPERSEDES: TN- AR-99-30

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